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JUN 01 2018

June 1, 2018

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

RE: Docket No. G-5, Sub 591

Dear Ms. Jarvis:

Attached for filing on behalf of Public Service Company of North Carolina, Inc. are the Direct Testimony of Rose M. Jackson and Direct Testimony of Candace A. Paton with exhibits to each. Portions of the Direct Testimony of Rose M. Jackson contain confidential information, and the Attachment to Jackson Exhibit 2 contains confidential and proprietary trade secret information. Both are exempt from public disclosure under G.S. §132-1.2, and are being filed contemporaneously under seal. Should you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

/s/Mary Lynne Grigg

MLG:kjg

Enclosures

cc: Ms. Gina Holt

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED
DOCKET NO. G-5, SUB 591**

**DIRECT TESTIMONY
OF
ROSE M. JACKSON**

JUNE 1, 2018

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU
2 ARE EMPLOYED, AND IN WHAT CAPACITY.

3 A. My name is Rose M. Jackson and my business address is 1300 12th Street, Suite
4 F, Cayce, South Carolina. I am employed by SCANA Services, Inc. (“SCANA
5 Services”) as General Manager – Supply & Asset Management.

6 Q. WHAT ARE YOUR RESPONSIBILITIES?

7 A. I am responsible for managing the Gas Supply Group (“Gas Supply”), which
8 supports the gas supply and capacity management functions for Public Service
9 Company of North Carolina, Incorporated, d/b/a PSNC Energy (“PSNC” or the
10 “Company”), and South Carolina Electric & Gas Company, the two regulated
11 utility subsidiaries of SCANA Corporation (“SCANA”). Gas Supply’s specific
12 responsibilities include planning and procurement of gas supply and pipeline
13 capacity, nominations and scheduling related to natural gas transportation and
14 storage services on interstate pipelines and PSNC’s system, gas cost
15 accounting, state and federal regulatory issues concerning supply and capacity,
16 asset and risk management, and gas transportation administration.

17 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL
18 BACKGROUND.

19 A. I graduated from the University of South Carolina in 1988 with a Bachelor of
20 Science degree in Accounting. Following graduation, I worked as an
21 accountant for a national security services firm. In 1992, I began my
22 employment with SCANA as an accountant. Over the years, I have held various
23 positions of increasing responsibility related to gas procurement, interstate

1 pipeline and local distribution company scheduling, and preparation of gas
2 accounting information. In May 2002, I became Manager of Operations and
3 Gas Accounting with SCANA Services where I was responsible for gas
4 scheduling on interstate pipelines and gas accounting for all SCANA
5 subsidiaries. In November 2003, I became Fuels Planning Manager where I
6 assisted all SCANA subsidiaries with strategic planning and special projects
7 associated with natural gas. I held this position until promoted to my current
8 position in December 2005.

9 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

10 A. Yes. I have presented testimony on behalf of PSNC many times, including its
11 last five annual gas cost reviews.

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
13 PROCEEDING?

14 A. North Carolina General Statute Section 62-133.4 allows PSNC to track and
15 recover from its customers the cost of natural gas supply and transportation and
16 to adjust customer charges to reflect changes in those costs. Under subsection
17 (c) of the statute, the Commission must conduct an annual review of PSNC's
18 gas costs, comparing the Company's prudently incurred costs with the costs
19 recovered from customers during a 12-month test period. To facilitate this
20 review, Commission Rule R1-17(k)(6) requires PSNC to submit to the
21 Commission, on or before June 1 of each year, certain information for the 12-
22 month test period ended March 31.

1 The purpose of my testimony is to demonstrate that all PSNC gas costs
2 were prudently incurred during the review period ended March 31, 2018, and
3 therefore meet the requirement for recovery. My testimony also provides the
4 Commission with information pursuant to the Order Requiring Reporting
5 issued in Docket No. G-100, Sub 91, and describes the Federal Energy
6 Regulatory Commission (“FERC”) proceedings in which PSNC participated,
7 as required by the Commission’s Order on Annual Review of Gas Costs issued
8 in Docket No. G-5, Sub 533. In addition to my testimony, PSNC is submitting
9 the direct testimony and schedules of Candace A. Paton for the purpose of
10 providing the Commission with data necessary to true-up PSNC’s gas costs
11 during the review period.

12 Q. PLEASE BRIEFLY DESCRIBE PSNC AND THE COMPOSITION OF ITS
13 MARKET.

14 A. PSNC is a local distribution company primarily engaged in the purchase,
15 transportation, distribution, and sale of natural gas to more than 563,000
16 customers in North Carolina. Approximately half of PSNC’s throughput during
17 the review period was comprised of deliveries to industrial or large commercial
18 customers that either purchased gas from PSNC or transported gas on PSNC’s
19 system. Many of these customers were served under interruptible rate
20 schedules. The remainder of PSNC’s throughput consisted of firm sales service
21 to residential and small and medium commercial customers.

1 Q. PLEASE DESCRIBE PSNC'S GAS SUPPLY PROCUREMENT POLICY.

2 A. PSNC's system and its gas supply procurement policy are designed to serve
3 firm customers reliably on a peak day. In providing sales services, the
4 Company must acquire supplies of natural gas and arrange for their delivery to
5 PSNC's system. The most appropriate description of PSNC's gas supply
6 procurement policy would be a best-cost supply strategy, which is based on
7 three primary criteria: supply security, operational flexibility, and cost of gas.

8 The first and foremost criterion is security of gas supply, which refers
9 to the assurance that the supply of gas will be available when needed for
10 PSNC's firm sales customers. Supply security is obtained through PSNC's
11 diverse portfolio of suppliers, receipt points, purchase quantity commitments,
12 and terms. Potential suppliers are evaluated on a variety of factors, including
13 past performance, creditworthiness, available terms, gas deliverability options,
14 and supply location.

15 The second criterion is maintaining the necessary operational flexibility
16 that will enable PSNC to react to the effects of unpredictable weather on firm
17 sales customer usage. PSNC's gas supply portfolio must be capable of handling
18 the monthly, daily, and hourly changes in these customers' demand needs.
19 Operational flexibility largely results from PSNC's gas supply agreements
20 having different purchase commitments and swing capabilities (for example,
21 the ability to adjust purchased gas within the contract volume on either a
22 monthly or daily basis) and from PSNC's injections into and withdrawals out
23 of storage.

1 The third criterion is the cost of gas. In evaluating costs, it is important
2 to consider not only the actual commodity cost, but also any transportation-
3 related charges such as reservation, usage, and fuel charges. PSNC routinely
4 requests gas supply bids from suppliers to help ensure cost-effective proposals.
5 In requests for proposal, suppliers are asked to submit alternative pricing
6 options they believe may be of interest or value to PSNC and its customers.
7 Typically, the greater the flexibility that PSNC has with a supply contract, the
8 higher the premium assessed. In securing natural gas supply for its customers,
9 PSNC remains committed to acquiring the most cost-effective supplies of gas
10 available while maintaining the necessary supply security and operational
11 flexibility.

12 Q. WHAT TYPES OF SUPPLY CONTRACTS DOES PSNC HAVE IN ITS
13 PORTFOLIO?

14 A. PSNC has developed a gas supply portfolio made up of long-term agreements
15 and supplemental short-term agreements with a variety of suppliers, including
16 both producers and independent marketers. The portfolio includes:

- 17 • Baseload contracts, which provide fixed volumes of gas each
18 day of the contract term.
- 19 • Physical option contracts, which provide flexibility to modify
20 the volumes delivered on a monthly or daily basis in order to
21 address changing demands and weather patterns.

- 1 • No-notice contracts, which provide flexibility to increase or
2 decrease delivered volumes on a daily basis to respond to
3 changing operational demands and weather.
- 4 • Spot (daily) market contracts, which are primarily used for price
5 mitigation, system balancing, and peak shaving.

6 PSNC's gas supply portfolio had approximately 223,000 dekatherms
7 per day under term contracts with eight different suppliers as of November 1,
8 2017, the beginning of the winter heating season for the period under review.
9 All of these contracts included provisions to ensure the prices paid were market
10 based. PSNC's remaining contracts were for purchases in the spot market. Spot
11 purchase contracts do not include reservation fees but reflect only commodity
12 cost, generally by reference to standard indices or negotiated prices.

13 Q. HOW DOES THE COMPANY CALCULATE ITS FIRM CUSTOMERS'
14 DEMAND REQUIREMENTS?

15 A. Projected design-day demand of PSNC's firm customers is calculated using a
16 statistical modeling program prepared by SCANA Services Resource Planning
17 personnel. The model assumes a 50 heating degree-day on a 60 degree
18 Fahrenheit base and uses historical weather to estimate peak-day demand.

19 Q. WHAT DESIGN-DAY REQUIREMENTS WERE USED BY PSNC DURING
20 THE REVIEW PERIOD AND HOW DID THE COMPANY PLAN TO MEET
21 THOSE REQUIREMENTS?

22 A. Jackson Exhibit 1 is a table showing the forecasted firm peak-day demand
23 requirements for the review period and for the next five winter seasons. It also

1 lists the assets available to meet those firm peak-day requirements. These assets
2 include year-round, seasonal, and peaking capabilities and consist of firm
3 transportation and storage capacity on interstate pipelines as well as the peaking
4 capability of PSNC's on-system liquefied natural gas facility.

5 As shown on Jackson Exhibit 1, PSNC projects that by the winter of
6 2019-20 it will need additional interstate capacity to serve expected peak-day
7 requirements. Later in my testimony I will discuss what steps the Company has
8 taken to acquire the necessary capacity.

9 Q. WHAT PROCESS DOES PSNC UNDERTAKE TO ACQUIRE CAPACITY
10 TO MEET ITS CUSTOMER DEMAND?

11 A. PSNC's design-day demand forecast projects firm customer load growth and is
12 used to determine total asset needs. This forecast is updated annually and
13 capacity alternatives are evaluated on an on-going basis. If needed, PSNC
14 secures incremental storage or transportation capacity to meet the growth
15 requirements of its firm sales customers consistent with its best-cost strategy.
16 To acquire long-term expansion capacity precisely in balance with customer
17 needs is impossible due to many external factors beyond the Company's
18 control. In assessing the type of resources needed to meet its design-day
19 demand, PSNC attempts to minimize the per unit delivered gas cost. This
20 analysis incorporates any transportation charges, storage costs, and supplier
21 reservation fees required to deliver gas to PSNC's city gate, as well as the
22 reliability and timing of new services.

1 Q. PLEASE DESCRIBE PSNC'S INTERSTATE CAPACITY.

2 A. The Company subscribes to interstate capacity so that gas can be delivered from
3 supply areas or gas storage facilities to PSNC's local distribution system. The
4 interstate transportation and storage providers with whom PSNC has
5 transportation or storage service contracts include Transcontinental Gas
6 Pipeline Company, LLC ("Transco"); Columbia Gas Transmission, LLC
7 ("Columbia Gas"); Dominion Energy Cove Point LNG, LP ("Cove Point");
8 Dominion Energy Transmission, Inc. ("DETI"); East Tennessee Natural Gas,
9 LLC ("East Tennessee"); Pine Needle LNG Company, LLC ("Pine Needle");
10 Saltville Gas Storage Company, LLC. ("Saltville"); and Texas Gas
11 Transmission, LLC ("Texas Gas"). The vast majority of PSNC's firm
12 transportation and storage capacity is obtained from Transco, the only interstate
13 pipeline to which PSNC's system currently is directly connected. The
14 Company has been able to use segmentation of the Transco firm transportation
15 capacity and schedule backhaul deliveries of gas from Columbia Gas, Cove
16 Point, DETI, East Tennessee/Saltville, Pine Needle, and Texas Gas – natural
17 gas storage facilities and connecting pipelines located downstream of the PSNC
18 system.

19 Q. PLEASE EXPLAIN WHAT YOU MEAN BY "BACKHAUL DELIVERIES
20 FROM DOWNSTREAM OF THE PSNC SYSTEM."

21 A. Forward haul involves the transportation of gas in the same direction as the
22 physical flow of gas in the pipeline and is typically achieved when the pipeline
23 transports gas to a delivery point downstream from the point where the gas was

1 received by the pipeline. Backhaul involves the contractual delivery of natural
2 gas in a direction opposite of the physical flow of gas in the pipeline; the receipt
3 point is downstream from the point of delivery.

4 Historically, gas flowed on the Transco system from the Gulf of Mexico
5 production area in a northerly direction. PSNC's system was downstream of
6 the Gulf supply points and the Columbia Gas, Cove Point, DETI, East
7 Tennessee/Saltville, Pine Needle, and Texas Gas points were downstream of
8 PSNC's system.

9 Q. HOW CAN THE COMPANY UTILIZE SEGMENTATION?

10 A. The Company can use different segments of the transportation contract to
11 schedule backhaul deliveries of gas to the PSNC system from the downstream
12 storage facilities and pipelines and, at the same time, schedule gas for delivery
13 on a forward-haul basis from the Gulf production area. This allows PSNC to
14 obtain geographic supply diversity and reduces the amount of annual firm
15 transportation needed on Transco. In addition, the Company can release
16 segments of capacity when not needed to serve PSNC's customers, which
17 generates revenue that mitigates capacity costs incurred by PSNC and passed
18 on to customers.

19 Q. PLEASE DESCRIBE ANY LIMITATIONS ON THE USE OF
20 SEGMENTATION.

21 A. PSNC's use of segmentation for backhaul deliveries on Transco can be limited
22 because it is considered secondary firm in scheduling priority. This did not
23 present any problems in the past, but now that gas flow on the Transco system

1 is bidirectional in nature due to the new connected shale gas supply areas of the
2 Northeast, PSNC has on occasion been unable to use segmentation to schedule
3 backhaul deliveries to its city gate. The Company is concerned that this could
4 impair its ability to meet storage turnover requirements for storage fields
5 downstream of the PSNC system on certain days.

6 Q. WHAT STEPS HAS THE COMPANY TAKEN TO ADDRESS ITS
7 CONCERNS ABOUT LIMITATIONS ON THE USE OF TRANSCO
8 SEGMENTATION?

9 A. Last summer, PSNC submitted a binding request for [BEGIN
10 CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] dekatherms per day of
11 capacity on Transco's Southeastern Trail Expansion project, which will provide
12 additional firm transportation service with a receipt point at the existing
13 Pleasant Valley Transco-Cove Point interconnection in Fairfax County,
14 Virginia, and a delivery point at the existing Transco Station 65 pooling point
15 in St. Helena Parish, Louisiana. In November 2017, PSNC and Transco
16 executed a precedent agreement for this transportation service [BEGIN
17 CONFIDENTIAL] [REDACTED].
18 [END CONFIDENTIAL] The project has a target in-service date of late 2020.
19 When the project is placed into service, this capacity will allow the Company
20 to schedule deliveries from downstream storage facilities and pipelines on a
21 primary firm, forward-haul basis and will replace the secondary backhaul
22 transportation that PSNC has used in the past.

1 Q. WHAT OTHER STEPS DID PSNC TAKE DURING THE REVIEW PERIOD
2 IN CONNECTION WITH ITS ACQUISITION OF ADDITIONAL
3 INTERSTATE PIPELINE CAPACITY?

4 A. In previous gas cost reviews, I testified that PSNC entered into a precedent
5 agreement with Atlantic Coast Pipeline, LLC (“ACP”) to acquire capacity on
6 ACP’s 550-mile pipeline project that will run from Harrison County, West
7 Virginia, to Robeson County, North Carolina. PSNC will take deliveries off
8 the pipeline at points on the eastern side of the Company’s system. The target
9 in-service date for the project currently is late 2019. PSNC contracted for
10 100,000 dekatherms per day of firm transportation for a 20-year term. [BEGIN

11 CONFIDENTIAL] [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED].

16 [END CONFIDENTIAL]

17 Q. PLEASE ELABORATE.

18 A. [BEGIN CONFIDENTIAL] [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

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6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 Q. [REDACTED]

18 [REDACTED]

19 A. [REDACTED] [END CONFIDENTIAL]

20 PSNC solicited interest from other interstate pipeline providers for natural gas
21 transportation capacity to meet forecasted incremental demand on the PSNC
22 system. Subsequently, the Company entered into precedent agreements with
23 Mountain Valley Pipeline, LLC (“MVP”) to obtain capacity on its mainline

1 pipeline project running from northwestern West Virginia to Pittsylvania
2 County, Virginia, as well as on an approximately 70-mile lateral running from
3 the termination of the mainline to delivery points at PSNC's Dan River and
4 Haw River interconnects in Rockingham and Alamance Counties, North
5 Carolina, respectively. Specifically, PSNC contracted for 250,000 dekatherms
6 per day of mainline capacity and [BEGIN CONFIDENTIAL] [REDACTED] [END
7 CONFIDENTIAL] dekatherms per day of lateral capacity. [BEGIN
8 CONFIDENTIAL] [REDACTED]
9 [REDACTED]
10 [REDACTED] [END
11 CONFIDENTIAL]

12 Q. WHEN ARE THE MVP FACILITIES EXPECTED TO BE PLACED INTO
13 SERVICE?

14 A. The projected in-service date for the mainline facilities is late 2018 and for the
15 lateral facilities late 2020. [BEGIN CONFIDENTIAL] [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED] [END CONFIDENTIAL]

1 Q. HAVE YOU PROVIDED THE INFORMATION CONCERNING
2 CAPACITY ACQUISITION AS REQUIRED BY THE COMMISSION'S
3 ORDER IN DOCKET NO. G-100, SUB 91?

4 A. Yes. PSNC's responses to the ten questions set forth in that order are attached
5 as Jackson Exhibit 2.

6 Q. WHAT ADDITIONAL ACTIONS HAS PSNC TAKEN TO ACCOMPLISH
7 ITS BEST-COST POLICY?

8 A. PSNC continues to take the following steps to keep its gas costs as low as
9 possible while accomplishing its stated policy goals of maintaining security of
10 supply and delivery flexibility:

- 11 • Optimize the flexibility available within its supply and capacity
12 contracts to realize their value.
- 13 • Monitor and intervene in matters before the FERC whose actions
14 could impact the rates that PSNC pays and the services it receives
15 from interstate pipelines and storage facilities.
- 16 • Work with industrial customers to facilitate transportation of
17 customer-acquired natural gas.
- 18 • Communicate directly with customers, suppliers, and other
19 industry participants and actively monitor developments in the
20 industry.
- 21 • Conduct frequent internal discussions concerning gas supply
22 policy and major purchasing decisions.

1 • Utilize deferred gas cost accounting to calculate the Company's
2 benchmark cost of gas to provide a smoothing effect on gas price
3 volatility.

4 • Conduct a hedging program to mitigate price volatility.

5 Q. PLEASE DESCRIBE THE FERC PROCEEDINGS THAT PSNC
6 PARTICIPATED IN DURING THE REVIEW PERIOD.

7 A. Jackson Exhibit 3 is a complete listing of the new FERC matters that PSNC
8 intervened in during the review period. The Company may not have stated a
9 position in a particular proceeding but filed an intervention without protest or
10 comment. Such interventions are made in proceedings where the Company has
11 an interest and the issues or dollar impact appears to be relatively minor but
12 might escalate and become significant at a later date or where the Company
13 would like to receive more information from the participants on an issue in
14 order to monitor future developments. Unless specifically indicated in the last
15 column of Jackson Exhibit 3, the Company did not express a position during its
16 participation in a matter listed.

17 Q. WHAT IS THE PURPOSE OF PSNC'S HEDGING PROGRAM?

18 A. The primary objective of PSNC's hedging program has always been to help
19 mitigate the price volatility of natural gas for PSNC's firm sales customers at a
20 reasonable cost. The hedging program meets this objective by having financial
21 instruments such as call options or futures in place to mitigate in a cost-effective
22 manner the impact of unexpected or adverse price fluctuations to customers.

1 Q. PLEASE DESCRIBE PSNC'S HEDGING PROGRAM.

2 A. PSNC's hedging program provides protection from higher prices through the
3 purchase of call options for up to 25% of estimated firm sales volume. In order
4 to help control costs, the call options are purchased at a price no higher than
5 10% of the underlying commodity price. Hedges also are limited to a 12-month
6 future time period, which allows PSNC to obtain favorable option pricing terms
7 and better react to changing market conditions. The hedging program continues
8 to utilize two proprietary models developed by Kase and Company that assist
9 in determining the appropriate timing and volume of hedging transactions. The
10 total amount available to hedge is divided equally between the two models.

11 Q. HAS THE COMPANY MADE ANY CHANGES TO ITS HEDGING PLAN?

12 A. No changes were made to PSNC's hedging program during the review period.
13 However, the Company continues to analyze and evaluate the program and will
14 implement changes as warranted.

15 Q. WHAT WAS THE NET ECONOMIC RESULT OF THE HEDGING
16 PROGRAM DURING THE REVIEW PERIOD?

17 A. During this period, New York Mercantile Exchange prices at the Henry Hub in
18 Louisiana ranged from a low of \$2.530 per dekatherm for the March 2018
19 contract set on February 15, 2018, to a high of \$3.661 per dekatherm for the
20 February 2018 contract set on January 29, 2018. Overall, the hedging program
21 increased gas costs by \$2,376,550 during the review period.

1 Q. IN YOUR OPINION, WERE ALL OF THE REVIEW PERIOD GAS COSTS
2 PRUDENTLY INCURRED?

3 A. Yes. All of these gas costs were incurred under PSNC's best-cost supply
4 strategy, which this Commission has consistently upheld. In my opinion, they
5 are the result of reasonable business judgments in light of the conditions under
6 which the gas purchasing decisions were made.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes.

**DESIGN-DAY DEMAND REQUIREMENTS AND AVAILABLE ASSETS
FOR WINTER SEASONS FROM 2017-18 THROUGH 2022-23**

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Contracted Capacity*							
Transco	FT	390,743	390,743	390,743	390,743	390,743	390,743
DTI	FT	7,331	7,331	7,331	7,331	7,331	7,331
Subtotal		398,074	398,074	398,074	398,074	398,074	398,074
Seasonal Capacity							
Transco	Storage	33,218	33,218	33,218	33,218	33,218	33,218
DTI	Storage	60,883	60,883	60,883	60,883	60,883	60,883
Columbia	Storage	35,335	35,335	35,335	35,335	35,335	35,335
ETNG/Saltville	Storage	48,877	48,877	48,877	48,877	48,877	48,877
Subtotal		178,313	178,313	178,313	178,313	178,313	178,313
Peaking Capacity							
Transco	LGA	5,175	5,175	5,175	5,175	5,175	5,175
Pine Needle	LNG	103,500	103,500	103,500	103,500	103,500	103,500
PSNC	LNG	100,000	100,000	100,000	100,000	100,000	100,000
DTI Cove Point	LNG	25,000	25,000	25,000	25,000	25,000	25,000
Subtotal		233,675	233,675	233,675	233,675	233,675	233,675
Total		810,062	810,062	810,062	810,062	810,062	810,062
Design-Day Requirements		782,485	800,404	817,772	835,518	835,649	872,173
Surplus (Shortage)		27,577	9,658	(7,710)	(25,456)	(25,587)	(62,111)
Reserve Margin		3.52%	1.21%	-0.94%	-3.05%	-3.06%	-7.12%

* Does not include Atlantic Coast Pipeline capacity scheduled to be in service by late 2019 or Mountain Valley Pipeline capacity scheduled to be in service by late 2020.

**INFORMATION PURSUANT TO ORDER REQUIRING REPORTING
ISSUED IN DOCKET NO. G-100, SUB 91**

- 1. Please describe any changes in the Company’s customer mix or customer market profiles that it forecasts for the next ten (10) years and explain how the changes will impact the Company’s gas supply, transportation, and storage requirements.**

No significant changes are expected.

- 2. Please identify the rate schedules and special contracts that the Company uses to determine its peak day demand requirements for planning purposes. Please explain the rationale and basis for each rate schedule or special contract included in the determination of peak day demand requirements.**

The Company’s demand forecast methodology utilizes actual daily measured volumes to determine its peak-day demand requirements for planning purposes. PSNC initially considers total daily throughput, which includes all rate schedules, and then deducts daily transportation volumes (Rate Schedules 175 and 180). Because volumes for interruptible sales (Rate Schedule 150) customers are within the statistical margin of error, this rate schedule is not deducted.

- 3. Please provide the base load requirements estimated for the review period and forecasted for each of the next five (5) years.**

For the review period, PSNC’s estimated winter base load requirements were approximately 90,000 dekatherms per day. PSNC anticipates that this base load requirement will remain approximately the same over the next five years.

- 4. Please provide the one-day design peak demand requirements used by the Company for planning purposes for the review period and forecasted for each of the next five (5) winter seasons. The peak demand requirement amounts should set forth the estimated demand for each rate schedule or priority with peak day demand. All assumptions, such as heating degree-days, dekatherms per heating degree-day, customer growth rates, and supporting calculations used to determine the peak day requirement amounts should be provided.**

Design day requirements are set forth on Jackson Exhibit 1. The Company’s demand forecast methodology utilizes actual daily measured volumes for the entire system and then deducts daily transportation volumes based on actual daily measurement data. Therefore, the demand for each rate schedule is not used to determine design-day demand requirements. The Company performs a regression analysis using 50 heating degree-days (HDDs) on a 60 degree Fahrenheit base to project design-day usage.

- 5. Please explain how the Company determines which type of resource should be acquired or developed for meeting the Company’s deliverability needs, and describe the factors evaluated in deciding whether the Company should acquire pipeline transportation capacity, acquire a storage service, or develop additional on-system storage deliverability.**

Resource acquisition depends on several factors. These primarily include: (1) whether the need is year-round, seasonal, or peaking in nature; (2) availability of the resource; (3) operational flexibility requirements; and (4) the relative costs of service.

- 6. Please describe how the Company determines the amount of pipeline capacity that should be acquired for (a) the whole year, (b) the full winter season, and (c) less than the full winter season. Also, please describe the factors evaluated in determining the appropriate amount and mix of service period options.**

PSNC maintains a level and mix that ensures its firm system requirements and operational flexibility requirements are satisfied. PSNC plans for sufficient capacity to be available on a design day, while seeking to avoid underutilization of capacity. PSNC continually monitors historical usage and expected requirements. Before acquiring additional capacity, PSNC evaluates whether a year-round or seasonal service period is appropriate, and will seek either to increase demand on an existing contract or to secure a new contract. The type of service acquired depends on availability, economics, and satisfaction of operational flexibility requirements.

- 7. Please describe each new capacity and storage opportunity that the Company is contemplating entering into during the next five (5) year period.**

The Direct Testimony of Rose M. Jackson at pages 10 through 14 describes the capacity opportunities that PSNC contemplated and entered into during the review period.

The Company currently is not contemplating entering into any other opportunity during the next five years.

- 8. Please provide a computation of the reserve or excess capacity estimated for the review period and forecasted for each of the next five (5) years.**

The requested information is set forth on Jackson Exhibit 1.

- 9. Please describe any significant storage, transmission, and distribution upgrades required for the Company to fulfill its peak day requirements during the next five (5) years.**

See Jackson Exhibit 2 Attachment which is confidential and therefore being filed under seal.

- 10. In determining which type of resource should be required, what steps, if any, did the Company take during the review period to seek out service agreements from competitive suppliers pursuant to the provisions of G.S. 62-36B?**

See the response to Question 7 above.

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Jackson Exhibit No. 2
Attachment
System Upgrades for 2019 – 2023
CONFIDENTIAL

Attachment is confidential and filed under seal

**PROCEEDINGS BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION
IN WHICH PSNC PARTICIPATED AS A PARTY FROM APRIL 2017 THROUGH MARCH 2018**

Date	Pipeline	Docket No.	Docket Description	PSNC Position
4/6/17	Dominion Transmission, Inc.	RP17-568-000	On March 29, 2017, Dominion Transmission filed to make administrative changes to its FERC Gas Tariff regarding methods of notification.	Motion to intervene.
4/6/17	Pine Needle LNG Company, LLC	RP17-576-000	On March 30, 2017, Pine Needle made its annual fuel retention percentage and electric power rate filing.	Motion to intervene.
4/6/17	East Tennessee Natural Gas, LLC	RP17-587-000	On March 30, 2017, East Tennessee filed its annual cash-out report.	Motion to intervene.
4/6/17	Columbia Gas Transmission, LLC	RP17-588-000	On March 31, 2017, Columbia Gas made its semiannual filing to adjust the operational transaction rate adjustment surcharge for the upcoming summer season.	Motion to intervene.
5/2/17	Texas Gas Transmission, LLC	CP17-256-000	On April 26, 2017, Texas Gas filed an application for authority to abandon certain compressor station facilities located in St. Mary Parish and Lafayette Parish, Louisiana.	Motion to intervene.
9/12/17	Dominion Energy Cove Point LNG, LP	RP17-1014-000	On September 1, 2017, Cove Point filed its annual revenue crediting report.	Motion to intervene.
9/21/17	Transcontinental Gas Pipe Line Company, LLC	RP17-1049-000	On September 14, 2017, Transco filed its annual cash-out report.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	PSNC Position
10/5/17	Transcontinental Gas Pipe Line Company, LLC	RP17-1105-000	On September 28, 2017, Transco filed to re-determine the fuel retention percentage applicable to Rate Schedules LG-A, LNG, and LG-S.	Motion to intervene.
10/5/17	Texas Gas Transmission, LLC	RP17-1124-000	On September 29, 2017, Texas Gas made its annual fuel retention percentage filing.	Motion to intervene.
10/5/17	Dominion Energy Transmission, Inc.	RP17-1130-000	On September 29, 2017, Dominion Transmission made its annual electric power cost adjustment filing.	Motion to intervene.
10/5/17	Dominion Energy Transmission, Inc.	RP17-1132-000	On September 29, 2017, Dominion Transmission filed to update its effective transportation cost rate adjustment.	Motion to intervene.
10/17/17	Transcontinental Gas Pipe Line Company, LLC	RP18-29-000	On October 12, 2017, Transco filed its penalty sharing report.	Motion to intervene.
10/25/17	Transcontinental Gas Pipe Line Company, LLC	CP18-8-000	On October 16, 2017, Transco filed for authorization to retroactively abandon certain receipt point natural gas facilities that Transco had erroneously determined were eligible for automatic abandonment because they were no longer active but for which Transco had not formally amended its firm contracts to remove these receipt points prior to abandonment.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	PSNC Position
11/8/17	Transcontinental Gas Pipe Line Company, LLC	RP18-91-000	On October 31, 2017, Transco filed to revise its FERC Gas Tariff to track rate changes attributable to storage services purchased from Dominion Transmission.	Motion to intervene.
11/8/17	Columbia Gas Transmission, LLC	RP18-124-000	On November 1, 2017, Columbia Gas made its semiannual filing to adjust the operational transaction rate adjustment surcharge for the upcoming winter season.	Motion to intervene.
1/16/18	Transcontinental Gas Pipe Line Company, LLC	RP18-314-000	On January 2, 2018, Transco filed revisions to its FERC Gas Tariff regarding no-notice and priority of service rights.	Motion to intervene and protest on grounds that Transco did not show the revisions to be necessary and that the revisions had the potential to increase the cost of resolving imbalances and the cost of cash-outs of imbalances for no-notice customers.
2/20/18	Dominion Energy Cove Point LNG, LP	RP18-419-000	On February 2, 2018, Cove Point filed to implement the incremental rates, charges, and tariff changes associated with its liquefaction export project.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	PSNC Position
2/20/18	Columbia Gas Transmission, LLC	RP18-426-000	On February 5, 2018, Columbia Gas filed revised tariff records to flow through the benefits of the decreased federal income tax rate to its customers.	Motion to intervene.
3/7/18	Dominion Energy Cove Point LNG, LP	RP18-498-000	On February 28, 2018, Cove Point made its annual electric power cost adjustment filing.	Motion to intervene.
3/7/18	Dominion Energy Cove Point LNG, LP	RP18-499-000	On February 28, 2018, Cove Point made its annual fuel retainage filing.	Motion to intervene.
3/7/18	Columbia Gas Transmission, LLC	RP18-507-000	On March 1, 2018, Columbia Gas made its annual electric power cost adjustment filing.	Motion to intervene.
3/7/18	Columbia Gas Transmission, LLC	RP18-508-000	On March 1, 2018, Columbia Gas made its annual transportation cost rate adjustment filing.	Motion to intervene.
3/7/18	Columbia Gas Transmission, LLC	RP18-509-000	On March 1, 2018, Columbia Gas made its annual fuel retainage percentage filing.	Motion to intervene.
3/7/18	Transcontinental Gas Pipe Line Company, LLC	RP18-540-000	On March 1, 2018, Transco made its annual fuel tracker filing to update fuel retention percentages.	Motion to intervene.
3/7/18	Transcontinental Gas Pipe Line Company, LLC	RP18-541-000	On March 1, 2018, Transco filed to update transmission electric power rates.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	PSNC Position
3/7/18	Columbia Gas Transmission, LLC	CP18-100-000	On March 1, 2018, Columbia Gas filed a prior notice request to perform installations and activities to enable the in-line inspection of a 24-inch diameter line having multiple high consequence areas in West Virginia.	Motion to intervene.
3/7/18	Transcontinental Gas Pipe Line Company, LLC	CP18-101-000	On March 1, 2018, Transco filed an advance notification to replace certain facilities at its Station 240 liquefied natural gas peak-shaving plant.	Motion to intervene.
3/12/18	Dominion Energy Cove Point LNG, LP	RP18-553-000	On March 6, 2018, Cove Point filed revised tariff records to update the fuel retainage and electric power cost adjustment rates reflected in its export liquefaction project implementation tariff filing in Docket No. RP18-419.	Motion to intervene.

BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED
DOCKET NO. G-5, SUB 591

DIRECT TESTIMONY
OF
CANDACE A. PATON

JUNE 1, 2018

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU ARE
2 EMPLOYED, AND IN WHAT CAPACITY.

3 A. My name is Candace A. Paton. I am employed by SCANA Services, Inc. as Rates
4 & Regulatory Manager for Public Service Company of North Carolina,
5 Incorporated, d/b/a PSNC Energy (“PSNC” or “the Company”). My business
6 address is 800 Gaston Road, Gastonia, North Carolina 28056.

7 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND, WORK
8 EXPERIENCE, AND OTHER QUALIFICATIONS.

9 A. My qualifications and work experience are set forth in Appendix A.

10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

11 A. The purpose of my testimony is to provide the data necessary to true-up PSNC’s
12 actual gas costs with the gas costs billed to our customers during the 12-month
13 review period ended March 31, 2018. Commission Rule R1-17(k)(6) sets forth the
14 filing requirements for the annual review of gas costs. Subsection (c) requires the
15 Company to file certain data showing actual gas costs, volumes of gas purchased,
16 and such other information as may be directed by the Commission.

17 Q. HAVE YOU PREPARED AND FILED THE DATA REQUIRED BY
18 COMMISSION RULE R1-17(k)(6)(c)?

19 A. Yes. The required information is provided in Schedules 1 through 10 attached to
20 my testimony. The following schedules were prepared in the prescribed format:

21 Schedule 1: Summary of Cost of Gas Expense

22 Schedule 2: Summary of Demand and Storage Charges

23 Schedule 3: Summary of Commodity Gas Cost

- 1 Schedule 4: Summary of Other Cost of Gas Charges (Credits)
- 2 Schedule 5: Summary of Demand and Storage Rate Changes
- 3 Schedule 6: Summary of Demand and Storage Capacity Level Changes
- 4 Schedule 7: Summary of Demand and Storage Costs Incurred Versus
5 Collected
- 6 Schedule 8: Summary of Deferred Account Activity - Sales Customers Only
7 Account
- 8 Schedule 9: Summary of Deferred Account Activity - All Customers
9 Account
- 10 Schedule 10: Summary of Gas Supply
- 11 In addition, Schedule 11 sets forth the review period Hedging Deferred Account
12 Activity.
- 13 Q. DID PSNC FOLLOW THE GAS COST ACCOUNTING PROCEDURES
14 PRESCRIBED BY RULE R1-17(k) FOR THE TWELVE MONTHS ENDED
15 MARCH 31, 2018?
- 16 A. Yes. All accounting was done in accordance with Sections (4) and (5) of Rule R1-
17 17(k).
- 18 Q. HAS PSNC FILED MONTHLY AN ACCOUNTING OF GAS COSTS AND
19 DEFERRED ACCOUNT ACTIVITY WITH THE COMMISSION AND THE
20 PUBLIC STAFF?
- 21 A. Yes, the required filings were made.

1 Q. WHAT ACTIVITY OCCURRED IN THE SALES CUSTOMERS ONLY
2 DEFERRED ACCOUNT DURING THE TWELVE MONTHS ENDED MARCH
3 31, 2018?

4 A. The activity in the Sales Customers Only deferred account is set forth below:

5	Over-Collection as of March 31, 2017	(\$6,021,495)
6	Commodity Cost Under-Collections	\$8,157,958
7	Hedging Deferred Account Balance as of March 31, 2017	(\$556,941)
8	Uncollectible Gas Cost	\$250,250
9	Miscellaneous Adjustments	(\$58,791)
10	Accrued Interest	<u>(\$327,969)</u>
11	Under-Collection as of March 31, 2018	<u>\$1,443,014</u>

12 Q. WHAT ACTIVITY OCCURRED IN THE ALL CUSTOMERS DEFERRED
13 ACCOUNT DURING THE TWELVE MONTHS ENDED MARCH 31, 2018?

14 A. The activity in the All Customers deferred account is set forth below:

15	Over-Collection as of March 31, 2017	(\$7,449,531)
16	Demand Cost Under-Collections	\$21,244,610
17	Commodity Cost Under-Collections	\$136,226
18	All Customers Decrement	\$7,589,506
19	Miscellaneous Adjustments	(\$768,231)
20	Secondary Market Transaction Credits	(\$34,269,198)
21	Supplier Refunds	(\$142,475)
22	Accrued Interest	<u>(\$111,433)</u>
23	Over-Collection as of March 31, 2018	<u>(\$13,770,526)</u>

1 Q. DID PSNC ACCOUNT FOR CAPACITY RELEASE AND OTHER
2 SECONDARY MARKET TRANSACTIONS DURING THE REVIEW PERIOD
3 IN ACCORDANCE WITH THE COMMISSION'S ORDER IN DOCKET NO.
4 G-100, SUB 67?

5 A. Yes. PSNC recorded 75 percent of the net compensation received from secondary
6 market transactions in the All Customers deferred account.

7 Q. PLEASE DISCUSS SCHEDULE 11.

8 A. Schedule 11 reflects the cash transactions associated with PSNC's hedging program
9 during the 12-month review period ended March 31, 2018. As of the end of the
10 current review period, the Company had a debit balance of \$2,376,550 due from
11 sales customers in its Hedging deferred account. When added to the \$1,443,014
12 debit balance in the Sales Customers Only deferred account, the total is \$3,819,564
13 due from sales customers.

14 Q. DOES PSNC CURRENTLY HAVE ANY TEMPORARY RATE INCREMENTS
15 OR DECREMENTS RELATED TO ITS SALES CUSTOMERS ONLY AND
16 ALL CUSTOMERS DEFERRED ACCOUNTS?

17 A. Yes. Temporary decrements applicable to the All Customers deferred account took
18 effect January 1, 2018.

19 Q. DOES THE COMPANY PROPOSE NEW TEMPORARY RATE INCREMENTS
20 OR DECREMENTS?

21 A. The Company is not proposing new temporary rate increments or decrements at
22 this time. The Company proposes to leave the current temporary decrements
23 applicable to the All Customers deferred account in place and monitor the balance

1 in the account to determine when or if changes are required. The Company
2 proposes to continue its practice of taking into consideration the balance in the Sales
3 Customers Only deferred account when evaluating whether to file for a change in
4 the benchmark cost of gas. The Company believes that making periodic, and
5 smaller, adjustments in the benchmark cost of gas is preferable to making one
6 adjustment annually based on the over- or under-collection in commodity cost of
7 gas that may exist as of the end of the review period.

8 Q. IN DOCKET NO. G-5, SUB 442, THE COMMISSION STATED THAT IN
9 FUTURE GAS COST PRUDENCE REVIEWS PSNC SHOULD DISCUSS ANY
10 SIGNIFICANT ACCOUNTING CHANGES THAT OCCURRED DURING THE
11 REVIEW PERIOD. WERE THERE ANY SUCH CHANGES DURING THE
12 REVIEW PERIOD?

13 A. No.

14 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

15 A. Yes.

**CANDACE A. PATON
QUALIFICATIONS & EXPERIENCE**

EDUCATION:

1979 Bachelor of Arts in Accounting
North Carolina State University

PROFESSIONAL LICENSURE:

1983 Certified Public Accountant, State of North Carolina

MEMBER: American Institute of Certified Public Accountants
North Carolina Association of Certified Public Accountants

PROFESSIONAL UTILITY REGULATORY EXPERIENCE:

August 2002 to Present	Rates & Regulatory Manager, PSNC Energy <i>Presented testimony before the NCUC in annual prudence reviews, general rate cases, and expansion fund filing</i>
July 2001 to August 2002	Independent Consultant
April 1999 to March 2001	Supervisor, Regulatory Accounting Carolina Power & Light Company
January 1991 to April 1999	Manager, Regulatory Accounting Duke Power Company <i>Presented testimony before the NCUC in various fuel clause proceedings and an Integrated Resource Planning proceeding</i>
August 1987 to December 1990	Project Manager & Manager, Revenue Requirements Potomac Electric Power Company
January 1987 to August 1987 and October 1979 to July 1985	Public Staff of the North Carolina Utilities Commission Public Utilities Accountant II <i>Presented testimony before the NCUC in various telephone, electric and water & sewer general rate case proceedings</i>
April 1986 to December 1986	Texas Office of Public Utility Counsel Chief Accountant <i>Presented testimony before the Texas Public Utility Commission in telephone & electric rate case proceedings</i>
July 1985 to March 1986	Telecommunications Specialist North Carolina Utilities Commission

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Annual Review of Gas Costs
For the Twelve Months Ended March 31, 2018
Filing Requirements

Schedule	Description
1	Summary of Cost of Gas Expense
2	Summary of Demand and Storage Costs
3	Summary of Commodity Gas Costs
4	Summary of Other Cost of Gas Charges (Credits)
5	Summary of Demand and Storage Rate Changes
6	Summary of Demand and Storage Capacity Level Changes
7	Summary of Demand and Storage Costs Incurred Versus Collected
8	Summary of Deferred Account Activity-Sales Customers Only Account
9	Summary of Deferred Account Activity- All Customers Account
10	Summary of Gas Supply
11	Hedging Deferred Account Activity

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Cost of Gas Expense
For the Twelve Months Ended March 31, 2018
Schedule 1

	Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
	Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
	Item													
1	Demand & Storage Costs Expensed (Sch 2)	\$8,338,231	\$7,168,768	\$7,301,783	\$7,094,704	\$7,281,109	\$7,209,671	\$7,026,633	\$7,327,600	\$7,818,009	\$8,401,770	\$8,362,447	\$7,712,856	\$91,043,579
2	Commodity Costs Expensed (Sch 3)	\$14,087,826	\$6,413,789	\$5,303,444	\$4,193,980	\$3,584,781	\$3,505,369	\$3,765,623	\$6,224,652	\$15,423,695	\$26,369,880	\$40,105,430	\$16,822,920	\$145,801,389
3	Other Gas Costs Expensed (Sch 4)	(\$16,993,261)	(\$6,379,799)	(\$5,906,255)	(\$5,038,106)	(\$4,303,803)	(\$4,227,666)	(\$3,491,894)	\$11,250,881	\$24,111,103	\$28,465,716	(\$34,833,587)	\$16,258,655	(\$1,088,016)
4	Total Cost of Gas Expensed	\$5,432,796	\$7,202,758	\$6,698,971	\$6,250,578	\$6,562,087	\$6,487,374	\$7,300,363	\$24,803,133	\$47,352,806	\$63,237,366	\$13,634,291	\$40,794,430	\$235,756,953

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Demand and Storage Charges
For the Twelve Months Ended March 31, 2018
Schedule 2

	Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
	Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
	DEMAND & STORAGE COSTS:													
1	Transco FT Reservation - 1002264	28,572	27,612	28,532	27,612	28,532	28,532	27,612	28,532	27,612	28,532	28,532	25,771	335,982
2	Transco FT Reservation - 1003703	2,071,594	2,001,972	2,068,704	2,001,972	2,068,704	2,068,704	2,001,972	2,068,704	2,001,972	2,068,704	2,068,704	1,868,507	24,360,212
3	Transco FT Reservation - 1004996										105,754	105,754	95,520	307,028
4	Transco FT Reservation - 1006505	21,249	20,533	21,217	20,533	21,217	21,217	20,533	21,217	20,533	21,217	21,217	19,164	249,848
5	Transco Southern Expansion - 1004190	380,557								367,782	422,268	422,268	381,404	1,974,279
6	Transco FT Momentum - 9103562	219,102	211,716	218,773	211,716	218,773	218,773	211,716	218,773	211,716	218,773	218,773	197,602	2,576,207
7	Transco FT Reservation - 9130053	146,101	141,177	145,883	141,177	145,883	145,883	141,177	145,883	141,177	145,883	145,883	131,765	1,717,871
8	Transco FT Reservation - 9190591	356,942												356,942
9	Transco FT Reservation - 1012381/1012387	20,953	20,257	20,932	20,257	20,932	20,932	20,257	20,932	20,257	20,932	20,932	18,906	246,480
10	Transco Southeast Expansion - 1012028	479,790	463,683	479,139	463,683	479,139	479,139	463,683	479,139	463,683	479,139	479,139	432,771	5,642,131
11	Transco FT Reservation - 9178381	1,716,377	1,659,210	1,714,517	1,659,210	1,714,517	1,714,517	1,659,210	1,714,517	1,659,210	1,714,517	1,714,517	1,548,596	20,188,915
12	Transco FT Reservation - 9204800									189,000	217,000	217,000	196,000	819,000
13	Transco FT Reservation - 9206262										192,088	192,088	173,499	557,676
14	Transco FT Reservation - 9207129										13,809			13,809
15	Dominion Transmission Reservation	322,889	199,256	199,256	199,256	199,256	199,256	199,256	199,256	323,430	323,430	323,430	323,430	3,011,397
16	Texas Eastern FT Reservation	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	563,328
17	Texas Gas Transmission FT Reservation	42,492	41,122	42,492	41,122	42,492	42,492	41,122	42,492	41,122	42,492	42,492	38,380	500,313
18	East Tennessee Patriot Expansion (Enbridge)	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	5,004,480
19	Columbia Gas Transmission FT Reservation	221,126	109,995	111,638	111,638	111,638	111,638	111,638	223,282	223,282	218,759	203,918	214,307	1,972,858
20	Cove Point LNG FTS Reservation	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	131,640
21	Cardinal	659,605	638,328	580,818	562,082	580,818	509,229	492,802	509,229	492,802	509,229	509,229	459,949	6,504,118
22	City of Monroe	1,756	4,801	22,710	7,172	2,037	2,187	8,381	8,472	7,245	15,615	4,943	3,342	88,660
23	Piedmont Redelivery Agreement	760	760	760	760	760	760	760	760	760	760	760	760	9,120
24	GSS Demand and Capacity	133,984	129,602	133,922	129,602	133,922	133,922	129,602	133,922	129,583	133,902	133,902	120,944	1,576,812
25	WSS Demand and Capacity	46,707	45,201	46,707	45,201	46,707	46,707	45,201	46,707	45,201	46,707	46,707	42,187	549,942
26	LGA Demand and Capacity	10,955	10,602	10,955	10,602	10,955	10,955	10,602	10,955	10,602	10,955	10,955	9,895	128,991
27	ESS Demand and Capacity	79,716	77,145	79,716	77,145	79,716	79,716	77,145	79,716	77,145	79,716	79,716	72,002	938,594
28	Eminence Demand and Capacity	81,065	78,450	81,065	78,450	81,065	81,065	78,450	81,065	78,450	81,065	81,065	73,220	954,471
29	Columbia Demand and Capacity	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	1,735,514
30	Cove Point LNG FPS Reservation	55,565	55,565	55,565	55,565	55,565	55,565	55,565	55,565	55,565	52,110	52,110	52,110	656,415
31	DTI-GSS Demand and Capacity	172,996	172,996	172,996	172,996	172,996	172,996	172,996	172,996	172,928	172,928	172,928	172,928	2,075,682
32	Pine Needle	266,274	257,684	264,380	255,852	264,380	264,380	255,852	264,380	255,852	264,380	264,380	238,795	3,116,591
33	Saltville Demand and Capacity	181,523	181,523	181,523	181,523	181,523	181,523	181,523	181,523	181,523	181,523	181,523	181,523	2,178,274
34	TOTAL DEMAND & STORAGE COSTS EXPENSED	\$8,338,231	\$7,168,768	\$7,301,783	\$7,094,704	\$7,281,109	\$7,209,671	\$7,026,633	\$7,327,600	\$7,818,009	\$8,401,770	\$8,362,447	\$7,712,856	\$91,043,579

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Commodity Gas Cost
For the Twelve Months Ended March 31, 2018
Schedule 3

Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
COMMODITY COSTS INCURRED													
Contract # 16	192,050	241,013	175,413	0	0	0	0	0	0	266,625	429,138	0	1,304,238
Contract # 118	332,404	0	404,212	405,116	278,546	273,343	0	0	0	0	0	401,966	2,095,588
Contract # 64	0	104,413	0	0	0	0	0	0	0	0	0	0	104,413
Contract # 46	806,152	0	0	0	0	0	254,843	0	0	0	0	0	1,060,995
Contract # 74	1,976,250	1,399,500	1,427,550	1,431,000	1,399,650	1,357,800	1,309,107	1,357,800	2,025,000	2,371,500	2,101,167	2,720,013	20,876,337
Contract # 1	2,718,628	3,271,793	2,975,919	2,702,513	2,141,413	2,240,252	2,792,818	2,902,550	3,541,751	5,724,730	5,434,356	3,377,915	39,824,638
Contract # 111	945,825	46,950	624,350	356,368	90,588	34,740	69,245	868,565	1,397,356	3,478,645	3,845,460	1,072,686	12,830,776
Contract # 90	298,975	2,221,160	2,246,773	1,317,625	1,189,475	1,366,850	1,230,908	1,516,125	1,234,926	1,446,236	1,285,543	1,588,023	16,942,618
Contract # 112	0	0	0	0	0	0	0	255,950	154,625	144,938	636,625	219,825	1,411,963
Contract # 34	631,067	0	0	0	0	0	0	0	5,095	354,044	369,550	474,197	1,833,953
Contract # 115	654,150	29,600	216,775	380,145	157,875	0	0	0	124,700	57,200	0	0	1,620,445
Contract # 36	0	40,263	0	0	0	0	0	0	0	0	0	0	40,263
Contract # 116	146,010	0	0	0	0	0	0	0	0	0	0	0	146,010
Contract # T26	(178)	(406)	119	135	112	224	15	816	384	12,951	1,987	1,629	17,786
Contract # 49	120,281	225,388	0	784,500	0	0	0	0	446,876	523,129	832,041	1,092,819	4,025,034
Contract # 9	577,125	778,500	782,750	0	540,950	607,245	496,500	600,850	1,374,150	2,800,066	5,800,561	1,333,523	15,692,219
Contract # 108	1,690,210	0	0	0	0	0	0	166,487	1,545,853	1,738,645	2,402,393	1,346,391	8,889,979
Contract # 54	927,976	74,000	30,250	0	0	30,580	29,700	522,125	4,230,667	5,796,906	9,810,531	3,125,435	24,578,170
Contract # 39	0	0	0	0	104,725	20,423	0	0	0	0	0	0	125,148
Transco Cash Out	0	(2,020)	0	(5,159)	0	0	0	0	0	(2,233)	(8,100)	0	(17,513)
Monroe Cash Out	0	0	0	0	0	0	0	0	0	11,337	0	0	11,337
Transportation Pooling Cash Out	73,182	7,536	(1,425)	(198,446)	260,611	(3,700)	263	(172,257)	45,376	106,382	(279,937)	104,035	(58,379)
Miscellaneous Charges (a)	0	0	0	0	7,611	0	0	0	13,825	0	0	0	21,436
Secondary Market Transactions:													
Contract # 46	0	(124,200)	(368,400)	0	0	0	(494,700)	0	0	0	0	0	(987,300)
Contract # 90	0	0	0	0	(90,300)	(58,350)	0	0	0	0	0	0	(148,650)
Contract # 74	(637,500)	0	0	0	0	0	0	0	(675,000)	0	(842,351)	0	(2,154,851)
Bundled Sales	(806,152)	0	0	0	0	0	0	0	(1,234,926)	(2,410,393)	(1,285,543)	(1,588,023)	(7,325,037)
Facilities Damages	(3,204)	(5,193)	(8,627)	(3,975)	(2,499)	(5,979)	(5,395)	(4,123)	(3,999)	(4,819)	(3,420)	(3,601)	(54,834)
Reservation Fees	284,266	105,266	108,775	105,266	108,775	108,775	105,266	108,775	248,813	257,106	257,106	232,225	2,030,413
Pipeline Transportation Charges	105,410	58,847	57,538	45,428	38,867	41,579	43,416	72,842	118,759	225,634	296,575	139,717	1,244,611
Withdrawal/Injection Fees	60,007	135,140	144,672	42,320	41,488	40,075	32,646	58,820	41,033	98,951	146,794	77,312	919,259
TOTAL COMMODITY COSTS INCURRED	11,092,935	8,607,548	8,816,643	7,362,835	6,267,887	6,053,856	5,864,632	8,255,324	14,635,264	22,997,579	31,230,475	15,716,085	146,901,063

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Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Commodity Gas Cost
For the Twelve Months Ended March 31, 2018
Schedule 3

Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
STORAGE INJECTIONS													
Columbia Storage	0	(887,238)	(873,879)	(881,081)	(772,358)	(746,064)	(741,128)	(728,877)	0	0	0	0	(5,630,626)
Cove Point LNG	0	0	(15,138)	(14,770)	(13,379)	(12,924)	(43,287)	0	0	0	0	0	(99,499)
DTI GSS	0	(902,551)	(888,961)	(896,288)	(785,689)	(758,931)	(753,919)	(741,452)	0	0	0	0	(5,727,791)
Transco Eminence	(132,849)	(65,314)	(49,721)	0	(5,169)	0	0	(43,695)	(157,672)	(403,707)	(385,745)	(309,656)	(1,553,526)
Transco ESS	(143,842)	0	0	0	(25,844)	(56,813)	0	(73,167)	(145,793)	(429,006)	(272,870)	(325,431)	(1,472,766)
Transco GSS	(87,550)	(431,794)	(894,260)	(920,068)	(702,119)	(680,708)	(310,851)	(181,208)	(255,606)	(433,248)	(117,831)	(192,602)	(5,207,845)
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	(11,579)	(396,350)	(403,272)	(12,779)	(12,494)	(11,951)	(11,871)	(13,418)	(10,918)	(17,652)	(24,008)	(10,623)	(936,917)
Pine Needle	(22,375)	0	(163,399)	(228,568)	(190,636)	(169,461)	(193,432)	(12,621)	(68,897)	(100,709)	(119,028)	(235,218)	(1,504,344)
Saltville	(194,023)	0	0	0	(76,687)	0	0	(525,176)	(240,988)	(481,388)	(1,046,285)	(985,569)	(3,550,116)
Transco WSS	(204,151)	(181,613)	(224,568)	(280,613)	(157,793)	(168,362)	(193,774)	(698,994)	(118,874)	(271,894)	(201,382)	(334,720)	(3,036,738)
TOTAL STORAGE INJECTIONS	(796,369)	(2,864,860)	(3,513,199)	(3,234,168)	(2,742,168)	(2,605,214)	(2,248,262)	(3,018,609)	(998,748)	(2,137,604)	(2,167,149)	(2,393,818)	(28,720,168)
STORAGE WITHDRAWALS													
Columbia Storage	870,837	0	0	0	0	0	0	0	438,289	900,594	1,329,448	817,407	4,356,575
Cove Point LNG	0	0	0	0	0	0	0	0	0	0	157,640	0	157,640
DTI GSS	461,320	0	0	0	0	0	0	0	285,162	2,416,433	2,118,941	164,898	5,446,755
Transco Eminence	171,020	0	0	0	0	0	0	56,760	93,399	357,928	595,176	272,574	1,546,857
Transco ESS	200,648	0	0	0	0	0	0	55,440	140,879	275,548	475,393	311,522	1,459,430
Transco GSS	521,631	249,464	0	0	0	0	28,093	649,154	248,241	275,617	1,489,367	900,785	4,362,352
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	70,729	3,073	0	65,313	59,062	56,726	55,820	63,290	60,642	221,806	1,486,198	60,108	2,202,767
Pine Needle	567,066	343,863	0	0	0	0	0	118,211	54,438	2,931	670,045	0	1,756,554
Saltville	450,000	74,700	0	0	0	0	0	0	68,562	784,484	1,596,866	486,219	3,460,830
Transco WSS	478,009	0	0	0	0	0	65,340	45,081	397,567	274,566	1,123,031	487,141	2,870,734
TOTAL STORAGE WITHDRAWALS	3,791,260	671,101	0	65,313	59,062	56,726	149,253	987,936	1,787,179	5,509,906	11,042,104	3,500,653	27,620,494
TOTAL COMMODITY COSTS EXPENSED	\$14,087,826	\$6,413,789	\$5,303,444	\$4,193,980	\$3,584,781	\$3,505,369	\$3,765,623	\$6,224,652	\$15,423,695	\$26,369,880	\$40,105,430	\$16,822,920	\$145,801,389

(a) W Va & Mississippi property taxes

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Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Other Cost of Gas Charges (Credits)
For the Twelve Months Ended March 31, 2018
Schedule 4

Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
Item													
1 Unbilled Deliveries													
Deferred Account Activity:													
2 Sales Customers Only	(174,597)	(203,534)	(63,085)	290,787	571,739	530,937	824,448	(135,436)	(1,091,167)	(6,741,279)	(2,031,194)	123,215	(8,099,168)
3 All-Customers	(4,580,971)	(5,358,980)	(5,457,690)	(5,700,106)	(5,587,087)	(5,326,368)	(4,306,563)	34,214	4,502,971	4,731,360	(1,855,524)	(7,653)	(28,912,398)
4 Miscellaneous charges (a)	(3,404,870)	166,308	939,339	770,754	882,106	489,349	(2,751,770)	1,669,410	9,161,750	16,761,502	(7,028,461)	11,850,759	29,506,176
Demand and Storage Costs:													
5 Reverse prior month estimate	(8,338,231)	(7,168,768)	(7,301,783)	(7,094,704)	(7,281,109)	(7,209,671)	(7,026,633)	(7,327,600)	(7,818,009)	(8,401,770)	(8,377,284)	(7,712,856)	(91,058,416)
6 Current month estimate	7,168,768	7,301,783	7,094,704	7,281,109	7,209,671	7,026,633	7,327,600	7,818,009	8,401,770	8,377,284	7,712,856	8,245,813	90,965,998
Commodity Costs:													
7 Reverse prior month estimate	(14,090,712)	(6,427,352)	(5,310,746)	(4,193,004)	(3,607,059)	(3,507,936)	(3,769,389)	(6,210,415)	(15,402,699)	(26,356,487)	(40,095,107)	(16,841,127)	(145,812,032)
8 Current month estimate	6,427,352	5,310,746	4,193,004	3,607,059	3,507,936	3,769,389	6,210,415	15,402,699	26,356,487	40,095,107	16,841,127	20,600,504	152,321,824
9 TOTAL OTHER COST OF GAS	(\$16,993,261)	(\$6,379,799)	(\$5,906,255)	(\$5,038,106)	(\$4,303,803)	(\$4,227,666)	(\$3,491,894)	\$11,250,881	\$24,111,103	\$28,465,716	(\$34,833,587)	\$16,258,655	(\$1,088,016)

(a) Miscellaneous charges:

IMT Deferral	(53,026)	(33,262)	(28,473)	(31,639)	(30,087)	(43,712)	(71,073)	15,747	130,042	225,019	(64,810)	732,025	746,750
EDIT Amortization	(323,050)	(265,369)	(226,537)	(216,240)	(227,224)	(235,995)	(358,083)	(835,275)	(1,363,726)	(1,760,475)	137,422		(5,674,552)
CUT Deferral	(4,128,671)	(339,214)	577,221	435,102	545,513	122,869	(3,820,506)	(2,042,536)	2,540,339	7,959,839	(11,417,345)	4,908,805	(4,658,583)
CUT Increment/(Decrement)	1,119,691	815,963	617,271	586,825	602,211	651,736	1,516,035	4,570,596	7,912,753	10,402,460	4,372,672	6,250,907	39,419,119
High Efficiency Discount Rate	(17,824)	(8,376)	(4,794)	(4,771)	(4,828)	(6,132)	(19,415)	(39,245)	(56,839)	(66,740)	(56,217)	(40,384)	(325,566)
Gas Loss-Facilities Damages	(1,989)	(3,434)	4,652	1,476	(3,480)	584	1,272	124	(820)	1,399	(182)	(594)	(991)
	(\$3,404,870)	\$166,308	\$939,339	\$770,754	\$882,106	\$489,349	(\$2,751,770)	\$1,669,410	\$9,161,750	\$16,761,502	(\$7,028,461)	\$11,850,759	\$29,506,176

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Demand and Storage Rate Changes
For the Twelve Months Ended March 31, 2018
Schedule 5

Effective Date of Change	FERC Docket Number(s)	Description of Service	New Rate	Old Rate	Increase (Decrease)	North Carolina Utilities Commission		
						Effective Date	Docket Number	Order Date
04/01/17	RP17-473-000	Columbia Gas Transmission SST Demand Chg	\$6.22600	\$6.25800	(\$0.03200)			
05/01/17	RP17-588-000	Columbia Gas Transmission SST Demand Chg	\$6.31900	\$6.22600	\$0.09300			
12/01/17	RP18-124-000	Columbia Gas Transmission SST Demand Chg	\$6.19100	\$6.31900	(\$0.12800)			
01/01/18	RP18-426-000	Columbia Gas Transmission SST Demand Chg	\$5.77100	\$6.19100	(\$0.42000)			
02/01/18	RP18-298-000	Columbia Gas Transmission SST Demand Chg	\$6.06500	\$5.77100	\$0.29400			
05/01/17	RP17-576-000	Pine Needle LNG-1 Demand Charge	\$0.08240	\$0.08299	(\$0.00059)			
04/01/17		Transco FT Reservation Charge - Zone 1 to Zone 5	\$0.43628	\$0.43693	(\$0.00065)			
04/01/17		Transco FT Reservation Charge - Zone 2 to Zone 5	\$0.42087	\$0.42147	(\$0.00060)			
04/01/17		Transco FT Reservation Charge - Zone 3 to Zone 5	\$0.39163	\$0.39216	(\$0.00053)			
04/01/17		Transco FT Reservation Charge - Zone 4 to Zone 5	\$0.34634	\$0.34681	(\$0.00047)			
04/01/17		Transco FT Reservation Charge - Zone 2 to Zone 6	\$0.48915	\$0.48988	(\$0.00073)			
04/01/17		Transco FT Reservation Charge - Zone 3 to Zone 6	\$0.45991	\$0.46057	(\$0.00066)			
04/01/17	RP17-452-000	Transco FT Reservation Charge - Zone 6 to Zone 6	\$0.13048	\$0.13061	(\$0.00013)			
04/01/17		Transco FT - Zone 1 to Zone 5 Former PS Rate Schedule	\$0.84126	\$0.84252	(\$0.00126)			
04/01/17		Transco FT - Zone 2 to Zone 5 Former PS Rate Schedule	\$0.81200	\$0.81316	(\$0.00116)			
04/01/17		Transco FT - Zone 3 to Zone 5 Former PS Rate Schedule	\$0.75648	\$0.75750	(\$0.00102)			
04/01/17		Transco FT - Zone 3 to Zone 5 Electric Power Unit Rate	\$0.00286	\$0.00339	(\$0.00053)			
04/01/17		Transco FT - Zone 4 to Zone 6 Electric Power Unit Rate	\$0.00307	\$0.00367	(\$0.00060)			
04/01/17		Transco GSS Demand	\$0.10076	\$0.10082	(\$0.00006)			
11/01/17	RP18-91-000	Transco GSS Demand	\$0.10074	\$0.10076	(\$0.00002)			
		Cardinal Pipeline Zone 1B Reservation Charge	\$0.04716	\$0.05279	(\$0.00563)	05/01/17	G-39, Sub 38	04/18/17
		Cardinal Pipeline Zone 2 Reservation Charge	\$0.09980	\$0.11370	(\$0.01390)			
		Cardinal Pipeline Zone 1B Reservation Charge	\$0.04196	\$0.04716	(\$0.00520)	08/01/17	G-39, Sub 38	07/27/17
		Cardinal Pipeline Zone 2 Reservation Charge	\$0.08721	\$0.09980	(\$0.01259)			
11/01/17	RP17-1132-000	Dominion FTNN/FTNN-GSS Reservation Charge	\$4.17430	\$4.16710	\$0.00720			
11/01/17		Dominion GSS Demand	\$1.86720	\$1.86830	(\$0.00110)			
10/01/17	RP17-197-000	Dominion Cove Point LNG FPS-1 Reservation Charge	\$2.08440	\$2.22260	(\$0.13820)			

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Demand and Storage Capacity Level Changes
For the Twelve Months Ended March 31, 2018
Schedule 6

Effective Date of Change	Description of Service	New Daily Demand Level	Previous Daily Demand Level	Increase(Decrease)	North Carolina Utilities Commission Action		
				Daily Demand Level	Effective Date	Docket Number	Order Date
11/01/17	Transco Firm Transportation Zone 6 to Zone 4	25,000	0	25,000			
12/01/17	Transco Firm Transportation Zone 5 to Zone 5	35,000	0	35,000		N/A	
12/13/17	Transco Firm Transportation Zone 5 to Zone 5	26,000	0	26,000		N/A	
12/16/17	Transco Firm Transportation Zone 5 to Zone 5	0	26,000	(26,000)		N/A	

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Demand and Storage Costs
Incurred versus Collected
For the Twelve Months Ended March 31, 2018
Schedule 7

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	Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
	Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
	Item													
1	Demand & Storage Costs Expensed (Sch 2)	\$8,338,231	\$7,168,768	\$7,301,783	\$7,094,704	\$7,281,109	\$7,209,671	\$7,026,633	\$7,327,600	\$7,818,009	\$8,401,770	\$8,362,447	\$7,712,856	\$91,043,579
2	Prior Month True Up (Sch 4)	(1,169,463)	133,015	(207,079)	186,406	(71,438)	(183,037)	300,967	490,409	583,761	(24,486)	(664,428)	532,957	(\$92,419)
3	Current Month True Up													
4	Demand & Storage Costs Incurred	7,168,767	7,301,783	7,094,704	7,281,109	7,209,671	7,026,633	7,327,600	7,818,009	8,401,770	8,377,284	7,698,019	8,245,813	90,951,161
5	Demand & Storage Costs Billed	2,592,281	1,948,771	1,636,299	1,578,260	1,633,992	1,699,732	3,001,885	7,854,272	12,920,919	16,704,993	7,542,153	10,592,994	69,706,551
6	Incurred (Over) Under Collected	\$4,576,486	\$5,353,012	\$5,458,404	\$5,702,849	\$5,575,679	\$5,326,902	\$4,325,715	(\$36,263)	(\$4,519,149)	(\$8,327,709)	\$155,867	(\$2,347,182)	\$21,244,610

Paton Exhibit 1

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Deferred Account Activity
Sales Customers Only Account
For the Twelve Months Ended March 31, 2018
Schedule 8

Month	Commodity Cost			Hedging Activity	Rounding & Miscellaneous Adjustments		Ending Balance
	Beginning Balance	(Over) Under Collections	Uncollectible Gas Cost		Interest		
Apr-17	(\$6,021,495)	\$174,597	\$13,125			(\$32,602)	(\$5,866,375)
May-17	(\$5,866,375)	\$203,534	\$65,627			(\$31,525)	(\$5,628,738)
Jun-17	(\$5,628,738)	\$63,085	\$74,928			(\$30,579)	(\$5,521,304)
Jul-17	(\$5,521,304)	(\$290,787)	\$102,791			(\$30,884)	(\$5,740,184)
Aug-17	(\$5,740,184)	(\$571,739)	\$54,584			(\$32,993)	(\$6,290,332)
Sep-17	(\$6,290,332)	(\$530,937)	\$15,190			(\$36,015)	(\$6,842,094)
Oct-17	(\$6,842,094)	(\$824,448)	(\$20,514)			(\$39,955)	(\$7,727,012)
Nov-17	(\$7,727,012)	\$135,436	(\$35,951)			(\$42,225)	(\$7,669,752)
Dec-17	(\$7,669,752)	\$1,091,167	(\$18,042)	(\$556,941)		(\$40,764)	(\$7,194,331)
Jan-18	(\$7,194,331)	\$6,813,376	(\$12,936)		(\$72,097)	(\$22,023)	(\$488,011)
Feb-18	(\$488,011)	\$2,031,194	(\$1,045)			\$3,031	\$1,545,168
Mar-18	\$1,545,168	(\$136,521)	\$12,494		\$13,307	\$8,566	\$1,443,014
Total		\$8,157,958	\$250,250	(\$556,941)	(\$58,791)	(\$327,969)	

Paton Exhibit 1

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Deferred Account Activity
All Customers Account
For the Twelve Months Ended March 31, 2018
Schedule 9

Month	Beginning Balance	Commodity Cost		Demand Cost		(Increment)/ Decrement	Miscellaneous Adjustments	Secondary			Ending Balance
		(Over) Under Collections	(Over) Under Collections	(Over) Under Collections	(Over) Under Collections			Market Transactions	Supplier Refunds	Interest	
Apr-17	(\$7,449,531)	4,485	4,576,486					(3,403,902)		(37,735)	(\$6,310,197)
May-17	(6,310,197)	5,969	5,353,012					(2,843,805)		(27,789)	(\$3,822,811)
Jun-17	(3,822,811)	(714)	5,458,404					(2,897,384)	(24,337)	(14,052)	(\$1,300,894)
Jul-17	(1,300,894)	(2,743)	5,702,849					(2,878,155)	(2,016)	600	\$1,519,640
Aug-17	1,519,640	11,408	5,575,679					(2,893,886)	(97,363)	15,497	\$4,130,974
Sep-17	4,130,974	(534)	5,326,902					(2,897,966)	(2,523)	29,392	\$6,586,244
Oct-17	6,586,244	(19,152)	4,325,715					(2,871,405)		40,171	\$8,061,573
Nov-17	8,061,573	2,050	(36,263)					(2,854,399)		36,395	\$5,209,356
Dec-17	5,209,356	16,178	(4,519,149)					(2,661,998)		8,948	(\$1,946,666)
Jan-18	(1,946,666)	90,425	(8,327,709)	3,578,353	(72,429)			(2,767,717)		(32,753)	(\$9,478,496)
Feb-18	(9,478,496)	30,855	155,867	1,668,802	(710,287)			(2,675,338)		(58,900)	(\$11,067,498)
Mar-18	(11,067,498)	(2,001)	(2,347,182)	2,342,350	14,485			(2,623,241)	(16,236)	(71,205)	(\$13,770,526)
Total		\$136,226	\$21,244,610	\$7,589,506	(\$768,231)			(\$34,269,198)	(\$142,475)	(\$111,433)	

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Gas Supply
For the Twelve Months Ended March 31, 2018
Schedule 10

Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
SOURCES OF SUPPLY AT CITY GATE													
Contract # 16	70,000	80,000	55,000	0	0	0	0	0	0	90,000	180,084	0	475,084
Contract # 118	120,696	0	160,084	154,920	160,084	160,084	0	0	0	0	0	144,592	900,460
Contract # 64	0	35,000	0	0	0	0	0	0	0	0	0	0	35,000
Contract # 46	316,138	0	0	0	0	0	154,920	0	0	0	0	0	471,058
Contract # 74	775,000	450,000	465,000	450,000	465,000	465,000	449,865	465,000	750,000	775,000	772,488	745,000	7,027,353
Contract # 1	1,060,935	1,094,616	1,026,446	909,494	847,689	906,661	1,100,174	1,202,988	1,320,669	1,890,094	2,011,874	922,173	14,293,813
Contract # 111	330,000	15,000	204,000	123,000	31,000	12,000	24,000	308,000	488,936	1,225,084	1,029,500	379,262	4,169,782
Contract # 90	100,000	724,000	731,000	425,000	395,000	472,000	423,000	525,000	457,380	472,626	472,626	426,888	5,624,520
Contract # 112	0	0	0	0	0	0	0	90,000	50,000	45,000	180,000	80,000	445,000
Contract # 34	322,444	0	0	0	0	0	0	0	5,108	160,084	105,000	169,999	762,635
Contract # 115	220,000	10,000	70,000	131,999	55,000	0	0	0	40,000	20,000	0	0	546,999
Contract # 36	0	15,000	0	0	0	0	0	0	0	0	0	0	15,000
Contract # 116	63,174	0	0	0	0	0	0	0	0	0	0	0	63,174
Contract # T26	(454)	(224)	(16)	(12)	(14)	16	(50)	131	(203)	1,601	4	259	1,038
Contract # 49	45,261	85,000	0	0	0	0	0	0	183,275	227,261	257,261	410,613	1,208,671
Contract # 9	225,285	300,000	310,000	300,000	310,000	336,000	300,000	405,000	615,000	1,054,866	1,558,865	483,000	6,198,016
Contract # 108	675,000	0	0	0	0	0	0	160,084	750,000	775,000	775,000	600,000	3,735,084
Contract # 54	775,000	25,000	10,000	0	0	11,000	10,000	183,000	1,375,000	2,060,000	2,541,403	1,105,000	8,095,403
Contract # 39	0	0	0	0	35,000	0	0	0	0	0	0	0	35,000
Transco Cash Out	0	(707)	0	(1,767)	0	7,000	0	0	0	(780)	(2,370)	0	1,376
Monroe Cash Out	0	0	0	0	0	0	0	0	0	3,363	0	0	3,363
Transportation Pooling Cash Out	26,602	7,599	129	(59,368)	84,147	1,024	1,676	(51,500)	16,671	53,351	(43,096)	31,528	68,763
Secondary Market Transactions													
Contract # 46	0	(40,000)	(120,000)	0	0	0	(170,000)	0	0	0	0	0	(330,000)
Contract # 90	0	0	0	0	(30,000)	(20,000)	0	0	0	0	0	0	(50,000)
Contract # 74	(250,000)	0	0	0	0	0	0	0	(250,000)	0	(309,688)	0	(809,688)
Bundled Sales	(316,138)	0	0	0	0	(1,993)	0	0	(457,380)	(787,710)	(472,626)	(426,888)	(2,462,735)
Facilities Damages	(1,068)	(1,731)	(2,876)	(1,325)	(833)	0	(1,798)	(1,374)	(1,454)	(1,752)	(1,244)	(1,310)	(16,765)
Subtotal	4,557,875	2,798,554	2,908,767	2,431,941	2,352,073	2,348,792	2,291,787	3,286,329	5,343,002	8,063,087	9,055,081	5,070,116	50,507,404
Supplier Fuel Use	(83,771)	(59,010)	(68,663)	(58,584)	(57,069)	(63,564)	(63,153)	(81,690)	(107,359)	(195,398)	(233,335)	(118,710)	(1,190,306)
TOTAL SUPPLY TO CITY GATE	4,474,104	2,739,544	2,840,104	2,373,357	2,295,004	2,285,228	2,228,634	3,204,639	5,235,643	7,867,689	8,821,746	4,951,406	49,317,098

Paton Exhibit 1

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Summary of Gas Supply
For the Twelve Months Ended March 31, 2018
Schedule 10

Gas Flow Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	
Reporting Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
STORAGE INJECTIONS													
Columbia Storage	0	(294,073)	(294,073)	(294,073)	(294,073)	(294,075)	(294,073)	(294,074)	0	0	0	0	(2,058,514)
Cove Point LNG	0	0	(4,123)	(3,990)	(4,123)	(4,123)	(13,850)	0	0	0	0	0	(30,209)
DTI GSS	0	(298,084)	(298,084)	(298,084)	(298,084)	(298,082)	(298,084)	(298,083)	0	0	0	0	(2,086,585)
Transco Eminence	(56,892)	(22,000)	(17,004)	0	(2,000)	0	0	(17,916)	(59,215)	(145,213)	(114,410)	(102,838)	(537,488)
Transco ESS	(61,600)	0	0	0	(10,000)	(22,758)	0	(30,000)	(54,754)	(154,313)	(80,932)	(108,077)	(522,434)
Transco GSS	(36,428)	(141,856)	(298,279)	(304,379)	(264,973)	(265,949)	(122,256)	(72,465)	(93,628)	(151,994)	(34,086)	(62,386)	(1,848,679)
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	0	(97,488)	(98,584)	0	0	0	0	0	0	0	0	0	(196,072)
Pine Needle	(9,084)	0	(55,428)	(76,904)	(73,172)	(67,338)	(77,376)	(5,133)	(25,665)	(35,931)	(35,018)	(77,487)	(538,536)
Saltville	(81,202)	0	0	0	(29,046)	0	0	(210,679)	(88,460)	(169,226)	(303,329)	(319,995)	(1,201,937)
Transco WSS	(86,098)	(59,357)	(74,519)	(92,354)	(59,243)	(65,439)	(75,818)	(278,092)	(43,318)	(94,896)	(57,954)	(107,860)	(1,094,948)
TOTAL STORAGE INJECTIONS	(331,304)	(912,858)	(1,140,094)	(1,069,784)	(1,034,714)	(1,017,764)	(881,457)	(1,206,442)	(365,040)	(751,573)	(625,729)	(778,643)	(10,115,402)
STORAGE WITHDRAWALS													
Columbia Storage	385,326	0	0	0	0	0	0	0	167,286	343,738	507,423	310,801	1,714,574
Cove Point LNG	0	0	0	0	0	0	0	0	0	0	45,040	0	45,040
DTI GSS	200,574	0	0	0	0	0	0	0	110,528	936,602	821,295	63,914	2,132,913
Transco Eminence	66,287	0	0	0	0	0	0	22,000	36,342	138,196	219,622	81,609	564,056
Transco ESS	76,003	0	0	0	0	0	0	22,000	56,127	108,058	176,726	101,473	540,387
Transco GSS	232,871	110,873	0	0	0	0	10,142	236,056	90,599	100,590	541,588	325,193	1,647,912
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	16,603	718	0	15,404	13,897	13,316	13,042	14,753	14,070	51,344	342,442	13,692	509,281
Pine Needle	196,898	119,397	0	0	0	0	0	42,068	19,373	1,043	238,450	0	617,229
Saltville	180,000	30,000	0	0	0	0	0	0	27,535	311,303	603,374	140,933	1,293,145
Transco WSS	158,281	0	0	0	0	0	22,000	15,230	137,092	94,678	387,252	166,829	981,362
TOTAL STORAGE WITHDRAWALS	1,512,843	260,988	0	15,404	13,897	13,316	45,184	352,107	658,952	2,085,552	3,883,212	1,204,444	10,045,899
COMPANY USE VOLUMES	(15,419)	(7,508)	(7,343)	(5,203)	(4,562)	(8,578)	(1,843)	(6,838)	(11,959)	(27,890)	(52,261)	(14,438)	(163,842)
GAS SUPPLY FOR DELIVERY	5,640,224	2,080,166	1,692,667	1,313,774	1,269,625	1,272,202	1,390,518	2,343,466	5,517,596	9,173,778	12,026,968	5,362,769	49,083,753

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 591
Hedging Deferred Account Activity
For the Twelve Months Ended March 31, 2018
Schedule 11

	Item	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
1	Beginning balance	(\$556,941)	(\$526,782)	(\$209,295)	(\$202,850)	(\$203,966)	(\$205,088)	\$475,316	\$623,702	\$1,032,087	\$1,810,392	\$1,644,222	\$2,294,063	(\$556,941)
	Broker Transactions													
2	Premium	81,640	354,890	7,540			676,770	144,740	402,170	212,550	6,090	635,530	69,270	2,591,190
3	Settle	(49,430)	(37,240)								(184,030)		(630)	(271,330)
4	Fees	921	1,856	35			2,892	632	1,675	1,019	1,865	3,021	457	14,375
5	Margin Requirement													
	OTC Transactions													
6	Premium													
7	Settle													
8	Fees													
9	Swaps (Proceeds) / Costs													
	Other													
10	Interest													0
11	Move to Sales Customer D/A									556,941				556,941
12	Sub-total	(523,810)	(207,276)	(201,720)	(202,850)	(203,966)	474,575	620,688	1,027,546	1,802,597	1,634,318	2,282,773	2,363,160	2,334,234
13	Interest	(2,972)	(2,019)	(1,130)	(1,116)	(1,122)	741	3,014	4,541	7,795	9,904	11,290	13,390	42,316
14	Ending balance	(\$526,782)	(\$209,295)	(\$202,850)	(\$203,966)	(\$205,088)	\$475,316	\$623,702	\$1,032,087	\$1,810,392	\$1,644,222	\$2,294,063	\$2,376,550	\$2,376,550